Financial Aid News



Issue 5 — June 26, 2002

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Supreme Court upholds Educational Opportunity Grant program

Ruling affirms state program's awards to students attending religiously-affiliated colleges

The Washington Supreme Court on June 13 upheld the state's Educational Opportunity Grant (EOG) program.

"This is great news for the financially needy students of Washington," said Marc Gaspard, executive director of the Higher Education Coordinating Board. "Although this is one of the state's smaller programs, this means the nearly 1,000 students who currently receive financial aid through the EOG Program will be able to continue to work toward their degrees. For many of these students, the EOG means the difference between getting a degree or having to drop out of school."

The case stemmed from a 1995 lawsuit filed by the American Civil Liberties Union on behalf of Mary Gallwey, a professor at Washington State University. Gallwey contended the program, which provides financial aid grants to needy students in certain counties in Washington, violated the state and federal constitutions. The case challenged the use of the program funds at Washington's religiously affiliated colleges and universities.

In its defense, the state said the purposes of the program were entirely secular. The program stipulates that students accepting the grant funds cannot be involved in programs



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that include religious worship, exercise or instruction, or pursue a degree in religious, seminarian or theological academic studies.

The court determined that the program satisfied constitutional provisions that apply to higher education institutions. In its conclusion, the court said the EOG Program was designed to meet the critical needs of "placebound" financially needy students, not to foster religion or religious worship.

The Legislature enacted the grant program in 1990 based on findings that:

- Washington's participation rate for upper-division course work was 10 percent below the national average;
- The state's largest population growth was occurring in areas surrounding Seattle that were not served by a public university; and
- There was a significant disparity in access to upper-division course work based on geography.

The court also noted that funds associated with this program are paid out directly to financially needy students, who may use the grant to attend any participating institution of their choice.

Currently, the program serves about 1,000 students in the six public baccalaureate colleges and universities in the state, as well as eleven private institutions. The state Legislature earmarked \$2.9 million to help students in the 2002-03 academic year.

EOG ruling in the news

The Chronicle of Higher Education and several news organizations in the state reported on the Supreme Court's EOG ruling. Some of the articles and editorials are linked here:

> The Chronicle of Washington State Higher Education Supreme Court upholds (for subscribers): use of state student aid

at religious colleges

The News Tribune Court rules state aid can (Tacoma): go to private colleges and

Students win on church-

state issue

Seattle Post-Public grants allowed at

Intelligencer: religious schools

The Seattle Decision extends student

Times: aid

Court backs state grants The Spokesmanto religious universities

Review (Spokane):

You can also link to the Board's press release and background materials on the Court's ruling at: EOG press release and background.

Community Scholarship Matching Grants awarded to 123 organizations

State leaders recognized the accomplishments of 123 community organizations for their efforts to raise nearly \$2 million for local college scholarship programs. Each organization will receive a \$2,000 grant through the state Community Scholarship Matching Grant program, which can be either distributed to local students or placed in an endowment for future scholarships. The Higher Education Coordinating Board announced the awards on June 17.

Sen. Ken Jacobsen, D-Seattle, who led the effort to secure state funding, said, "This is an outstanding example of ordinary people accomplishing extraordinary things for their communities' students."

To be eligible for the \$2,000 matching grants, organizations must raise at least \$2,000 in new money for college scholarships.

The Board's press release, including a complete list of organizations receiving grants, is available at: Community Scholarship Matching Grant press release and background.

First Governor's Scholarships awarded to 19 youth in foster care

Gov. Gary Locke awarded the first Governor's Scholarships to 19 students on June 12. The program is designed to encourage Washington youth in foster, group or kinship care to finish high school and go on to complete a college education.

"We think you are wonderful," Locke told the recipients at a reception honoring them. "And we hope with all our hearts that with the help of these scholarships, you will make the world more wonderful, too."

Locke established the scholarship program in March. The Washington Education Foundation administers the program, which is funded entirely through private contributions. You can find out more about the Governor's Scholarship program by visiting the foundation's Web site: <u>Governor's Scholarship Program</u>.

New studies look at aid, access, persistence

Several recent studies examine the relationship of student access, persistence, and financial aid. You may be interested in two new reports, which you can download by clicking on their titles.

In <u>"Crucial Choices: How Students' Financial Decisions Affect Their Academic Success,"</u> American Council on Education researcher Jacqueline E. King concludes that students' higher education financing choices have a direct impact on persistence. For instance, over half of freshmen who attended part time and worked 15 or more hours per week dropped out of college within three years. By comparison, the dropout rate was under 10 percent for students who studied full time and worked less than 15 hours a week.

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Another report from the National Center for Education Statistics, "Persistence and Attainment of Beginning Students with Pell Grants," finds that Pell Grants play a major role in helping needy first-year students enroll and persist in higher education.

Why this recession will be harder on colleges and universities And why they may not bounce back with the rest of the economy

If you think your campus can just ride out this economic downturn as it has others in the past, you'd better think again. That, at least, is what David W. Breneman says in a lengthy analysis published in the June 14 *Chronicle*.

"What distinguishes the recession of the early 2000s from previous downturns," writes Breneman, "is that it is posing much more serious questions about the values of our society and the strength of our commitment to educational opportunity. Those questions involve fundamental issues about affordability and access for all qualified students."

For Breneman, professor and dean of the Curry School of Education at the University of Virginia, affordability and access are severely threatened by an economic landscape that is much harsher for colleges and universities than in previous recessions — and campuses may continue to struggle long after financial markets recover.

Among the reasons Breneman cites for this ominous outlook:

- Declining state revenues have forced steeper cutbacks in higher education than during previous recessions.
- Tax revenues are insufficient to support the myriad social services expected of state government, including higher education.
- Declining endowments are forcing private colleges to cut expenses and raise already high tuition even further.
- The nation faces a surge in enrollment comparable to that of the baby boom; in 2008, the U.S. will graduate its largest public high-school class in history 3.2 million students. In previous recessions, he notes, lower enrollments helped cushion economic blows.
- The shift of higher education costs away from taxpayers to families will serve only to raise student debt levels, which will have the greatest impact on a burgeoning first-generation, low-income student population.

With these bleak economic realities, Breneman concludes, what's needed more than ever is for states and institutions to soften the blows of the business cycle on higher education funding. Among other things, this would require states to take a longer view than the one- or two-year budget cycles in which they typically operate. And it would require campuses to focus not simply on currently available revenues but on making significant and permanent cost reductions.

The article is available online to *Chronicle* subscribers: <u>For colleges, this is not just another recession</u>.

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Invoking shame for a timelier graduation

Want to reduce your institution's average time to degree? You might consider the University of Georgia's solution — public humiliation.

Hoping to embarrass slackers who take more than four years to complete a degree, the university will begin referring to students by the number of years they have been enrolled. According to a June 12 story from the Associated Press, the university will call students "first-years," "second-years," or even "seventh-years," rather than freshmen, sophomores, or seniors.

And just in case some of their longer-term students are immune to such pillorying, university officials have a proposal to hit them where it really hurts: those who spend more than four years in college would be put behind freshmen in line for parking spaces and football tickets.

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